

Kelantan oil royalty being considered by cabinet, Mustapa clarifies

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Bernama

Prime Minister Ismail Sabri Yaakob has agreed to the Kelantan government's request to discuss three matters, namely on oil, state development and water supply, said Minister in the Prime Minister's Department (Economy) Mustapa Mohamed.

He said the matter was decided after a meeting between the prime minister and Menteri Besar Ahmad Yakob, which was also attended by State Secretary Nazran Muhammad last week.

"During the meeting, the menteri besar handed over a letter and the matter is being coordinated and discussed at the federal level. Three issues are raised in the letter, namely on oil, development and state water supply.

"The prime minister has ordered the matters to be discussed immediately and are now under consideration by the federal government," he told reporters after

a working visit to Kampung Kelong Hujung in Tumpat, Kelantan, today.

Mustapa said this when asked on a statement by Finance Minister Tengku Zafrul Tengku Abdul Aziz in Parliament last Thursday that Petronas would not make cash royalty payments to any state in the peninsula, including Kelantan.

Zafrul said it was because the petroleum production site was operating outside of Kelantan's waters.

However, Kelantan will continue to receive "wang ehsan" (goodwill payment) for the petroleum that was produced near its coast.

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